



Michigan's Oil and Natural Gas Industry: Economic Contribution

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Report Overview

- Oil and gas industry from extraction to refining
- Report uses a narrow definition of industry
- Includes production, employment, taxes, and royalties
- Statewide and county estimates

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Economic Impact for 2015

Impact Type	Employment	Labor Income (millions of \$)	Output (millions of \$)
Direct Effect	22,781	\$1,540.4	\$10,070.0
Indirect Effect	10,356	\$626.0	\$1,726.5
Induced Effect	13,968	\$590.9	\$1,829.1
Total Effect	47,105	\$2,757.2	\$13,625.7

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Direct Industry Employment

NAICS Code	Related IMPLAN Sector	Description	2015 Employment
211111	20	Oil and gas extraction	13,818
211112	21	Natural gas liquid extraction	801
213111	37	Drilling oil and gas wells	2,403
213112	38	Support activities for oil and gas operations	2,016
237120	58	Oil and gas pipeline and related structures construction	2,128
324110	156	Petroleum refineries	558
333132	266	Oil and gas field machinery and equipment manufacturing	28
488110	413	Pipeline transportation	40
488210	413	Pipeline transportation of natural gas	881
488910	413	Pipeline transportation of refined petroleum products	108
Total			22,781

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Taxes Generated by Oil and Gas

2015 Taxes Generated (millions of \$)

Severance Tax	Sales Tax	Local Property Tax	Income Tax
\$60.3	\$145.7	\$160.1	\$53.4

Note: severance tax total is for 2014. Severance tax total from Michigan Department of Treasury.
Other tax totals from IMPLAN model.

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Royalty and Lease Payments

2014 Royalty and Lease Payments (millions of \$)

Public Royalty Payments	Public Lease and Bonus Payments	Private Royalty Payments	Private Lease and Bonus Payments
\$44.1	\$2.7	\$214.5	\$37.8

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Employment Outlook

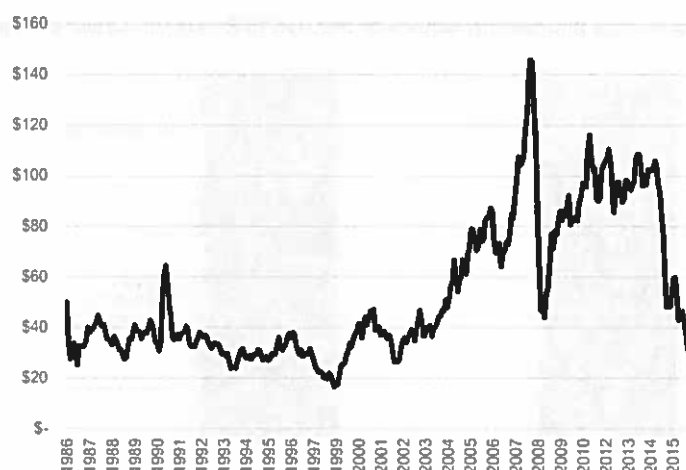
- Industry provides high-paying jobs available to workers with a range of education levels
- Employment doubled from 2005 to 2015
- Expected to grow 46 percent over next ten years, but dependent on price level

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Outlook for Industry

Price Per Barrel West Texas Intermediate Crude (2016\$)



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Source: St. Louis Federal Reserve and PSC calculations.

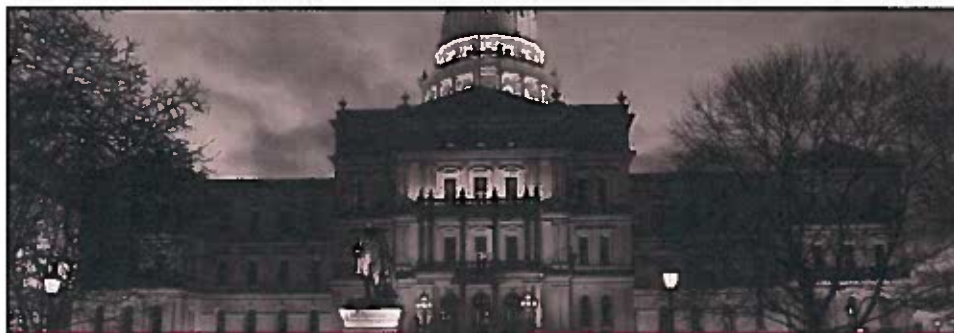
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Oil Production Timeline



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